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THE ALBANIA-CHINA RIFT:
FOR TIRANA, FEW OPTIONS

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THE ALBANIA-CHINA RIFT:
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KEY FINDINGS

The rapid deterioration of Albania's relations with Peking this year for the first time raises the possibility of a break between the two formerly close allies. Available evidence is insufficient to permit a full explanation for the Albanian motivation in provoking such a rupture. There are indications however, that Tirana is trying to devise a strategy to follow should it lose the political and material support provided by the Chinese for the past 16 years.

In view of Albania's strategic geographic location, its future course is of deep concern to all of its Mediterranean neighbors. The Soviet Union, which was allied with Tirana until 1961, might try to take advantage of a Sino-Albanian break to reestablish a political foothold in Albania, but Moscow would probably be rebuffed. Should the Soviets be successful, the status quo in the Balkans would be upset, and Albania's closest neighbors--Yugoslavia, Italy, and Greece--would perceive a serious threat to their security.

Driven by xenophobia and radical ideological fervor, the Albanian leadership has kept the country in relative isolation from the outside world. Economically backward, it has for the past 15 years been heavily dependent on Chinese help for its industrial development.

Tirana's apparent efforts to reorient its foreign policy have been accompanied by signs of ferment within the leadership. The massive purges of the cultural, military, and economic establishments since 1973 afford ample evidence of internal tensions. The Communist

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"old guard", led by aging party boss Enver Hoxha, is holding on to the reins of power, but younger functionaries who entered the power structure in the wake of the purges can be expected to make their mark on regime policies before long.

Fragmentary evidence suggests that certain new foreign policy trends may be emerging in Albania.

- Although Sino-Albanian relations have fallen to an unprecedented low, Tirana may still be able to avoid a final break with Peking. In mid-August, the Albanians hinted that they would like to talk over their differences with the Chinese.
- Should a break nevertheless occur, the regime would probably not shut itself off entirely from the rest of the world.
- Rather, Albania is likely to strive gradually to improve its relations with a number of countries, including industrialized Western states. There is evidence that the regime is already making probes in that direction.

There are obvious limitations to forming such new relationships.

- Since the break with Moscow, the Albanians have been obsessed with fear of a Soviet threat to their security. Hoxha, who engineered the split, and the rest of the Albanian leadership are likely to remain opposed to reestablishing better relations with Moscow.
- There is no evidence that Tirana is interested in a rapprochement with the US at this time. A policy change might emerge gradually, however.
- Ideological differences, combined with ethnic and territorial tensions, prevent Tirana from normalizing its relations with Yugoslavia--its most natural economic partner. Tito's success

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in improving relations with China has doubtless aroused Albanian suspicions of Chinese betrayal and political encirclement, making its opposition to Yugoslav "revisionism" even firmer.

- Despite Tirana's stepped-up efforts to improve relations with the West Europeans, the ideological rigidity of the Hoxha regime forecloses much progress. Under no foreseeable conditions would the West replace China as a "protector" against threats to Albania's security.
- Albania hopes it could compensate for the loss of Chinese aid by increasing trade with the West. The non-Communist world, however, is unlikely to provide enough assistance to enable Tirana to maintain its industrial development programs.

Albania faces a slow and frustrating job in trying to work itself out of its exclusive foreign ties with the Chinese. Its alternatives to China's friendship and protection appear extremely limited.

Hoxha's departure and the formation of a new, younger leadership--when it happens--may open the door to important policy changes, but our knowledge of Albanian political and policy forces is too fragmentary even to guess at their direction.

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I. THE SINO-ALBANIAN ALLIANCE

Point of No Return?

1. In the late 1960s cracks began to appear in the Sino-Albanian alliance. Until late last year, however, disagreements were more or less covered up by the regimes' public insistence on their "unbreakable friendship."

2. Mao Tse-tung's death last October deprived the Albanian Communists of their main benefactor. The Albanian leadership realized that the emergence of Hua Kuo-feng, a less doctrinaire politician, would lead to a more pragmatic political climate in China. The purge of the radical members of the Chinese leadership--the "Gang of Four"--whom Tirana considered as its ideological allies, further upset the Albanians. Tirana expressed its dissatisfaction in coolness toward Hua and unwillingness to endorse the Chinese campaign against the radicals.

3. Early this year Tirana began to use certain parties of the formerly pro-Peking Marxist-Leninist splinter movement as surrogates in its polemics against Peking. In response, the Chinese began to advise some other splinter parties of their differences with Albania in an attempt to prevent defections to Tirana.

4. By mid-summer relations between the two regimes had reached an unprecedented low. In recent months:

--The Albanian press launched fierce attacks on the basic tenets of China's foreign policies as formulated by Mao.

--Tirana recalled military personnel training with the Chinese air force and began a phased withdrawal of Albanian students studying in China.

--Rumors circulated that the Albanians had requested Peking to withdraw its technical experts from Albania. Despite denials on both sides, there is evidence that these technicians are returning home, allegedly "for vacation."

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- Tirana continued to convert Marxist-Leninist splinter parties to its ideological line. At least one party quoted by the Albanian press has acknowledged Tirana as the sole leader of the Marxist-Leninist movement.
- The Albanians hinted that Chinese foreign policy principles might be as damaging to world revolution as Eurocommunism.

5. As of mid-August, however, neither country had engaged in public name-calling. There are also some indications that the Albanian leadership may not be united in wanting to provoke a final breakdown of the partnership. An Albanian hint that the regime would be willing to hold talks with Chinese could postpone a showdown. Peking has not as yet responded to this overture.

Origins of the Alliance

6. Khrushchev's theoretical innovations, as outlined at the 20th congress of the CPSU in 1956, met with adverse reaction in both Tirana and Peking. Both regimes were skeptical about the feasibility of the "parliamentary road" and viewed revolutionary violence as the only effective road to revolution. Both considered Khrushchev's policies of "peaceful coexistence" with the West opportunistic, and both continued to see the US as the main obstacle to achieving a world-wide victory for Communism. Additionally, fearing domestic repercussions, the Albanian leadership decided not to abandon the Stalinist legacy. Moreover, in the face of Moscow's rapprochement with Yugoslavia in the early 1960s, the Chinese and the Albanians shared an unrelenting hostility to Titoist "revisionism."

7. As their ideological quarrel with Khrushchev mounted, the Albanian leaders increasingly saw the Soviet Union as a threat. One result was the purge of elements thought to be close to Moscow; another was reliance on China to protect Albania against a potential Soviet threat.

8. For the Chinese, Albania's rejection of Moscow presented the first--and only--opportunity to rally a ruling communist regime in support of their policies. Although the alliance with Tirana entailed some economic burden, Peking was convinced that the price was justified

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by the acquisition of an ally in a region that the Soviet Union traditionally regards as its sphere of influence.

The Source and Growth of the Dispute

9. Differences between Tirana and Peking, mainly over foreign policy issues, first appeared in the late 1960s. China's efforts to seek closer international ties with an increasingly large number of states, including NATO members, troubled the Albanians, who detected a neglect of revolutionary principles and a tendency toward opportunism.

10. The differences over practical approaches on foreign relations were soon reflected in the ideological formulations on which foreign policies of the two countries were based. Concerned over a Soviet military threat, Mao revised his views on the status of the two superpowers--the US and the Soviet Union. He concluded that despite the continuing war in Southeast Asia, the US presented a lesser danger to China's security than the Soviet Union.

11. The resulting rapprochement between Peking and Washington was condemned by the Albanian leadership, which held that it is not permissible to "lean on one imperialism to oppose the other." Tirana continued to equate the danger posed by the two superpowers and claimed that "collusion" existed between Moscow and Washington at the expense of the communist movement. The Chinese, on the other hand, maintained that fundamental conflicts between the US and the Soviet Union would undermine prospects for lasting cooperation.

12. During the 1960s, Albania was heavily dependent on Chinese economic assistance. Since 1961, this has totaled between 600 and 900 million US dollars.* In the early 1970s, however, signs of a reduction in Chinese economic and

* In 1970, imports accounted for more than one-fifth of Albania's GNP. Albania must purchase abroad virtually all the machinery and equipment, structural steel, chemical fertilizer and coke indispensable for industrial development. China has provided more than half of these imports, either directly or through purchases from West and East European countries. The Chinese have also made periodic wheat purchases abroad for Albania.

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military assistance to Albania appeared. There is no clear evidence, however, that the decline--in the form of delays in the flow of materiel--was a conscious Chinese attempt to blackmail the Albanian leadership. But the latter probably viewed the decline as a confirmation of its suspicions about Peking's "opportunism."

13. Despite underlying ideological differences, on the surface Albanian-Chinese relations remained cordial until the death of Mao Tse-tung. One month after Mao's demise, Enver Hoxha, in a widely publicized report to the Albanian party congress, gave a comprehensive account of Tirana's opposition to Chinese foreign policy positions and Peking's attitudes toward the Marxist-Leninist splinter movement. The report did not directly attack China, but reiterated Albania's opposition to China's rapprochement with the West and projected the Albanian positions as more revolutionary than Peking's. Conspicuously absent were references to Albania's moral and material debt to Peking and praise for the new Chinese leadership.

14. The extent of the decline in Albania's relations with Peking became publicly known only last July, when Albanian media published a bitter attack on the theory of the "three worlds" that has been the basis of China's foreign policy since the late 1960s. Tirana denounced the theory as anti-Marxist and charged that it undermined the revolutionary enthusiasm of the world proletariat. Since the theory had been formulated under the guidance of Mao Tse-tung, the attack was a clear break with Tirana's longstanding recognition of Mao as the paramount figure of contemporary Marxism-Leninism, the equal of Marx, Engels, Lenin, and Stalin.

15. A month after the first open attack, Albanian media began to hint at Chinese collusion with Eurocommunism. The Albanians charged that the theory of the "three worlds" was similar to Eurocommunist concepts in that it served to confuse the proletariat and divert it from the class struggle, that thus contradicting the theory and practice of revolution and the teachings of Marxism-Leninism.

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16. Even before Mao's death, relations between Tirana and Peking had been impaired by conflicting evaluations of the importance of the Marxist-Leninist splinter parties. In the early 1960s, the existence of these parties was symbolic of Peking's success in splitting up the previously cohesive pro-Soviet Communist movement. After the cultural revolution, the decline in China's ideological fervor and Chinese efforts to establish ties with West European governments lessened the importance of the Marxist-Leninist movement for Peking. Contacts with foreign Marxist-Leninists during this period were left mainly to members of the radical faction in the Chinese leadership.

17. In contrast, the Albanians continued to regard the splinter parties as important allies. By the mid-1970s, Tirana began to play an active role in providing organizational and ideological guidance to such groups, particularly those in Latin America and Western Europe. It sought, successfully, to become the spiritual center of the Marxist-Leninist movement, the position earlier occupied by Peking.

18. Tirana's involvement with the splinter parties has further intensified this year. The Albanians have used Marxist-Leninist groupings as surrogates in publicizing their opposition to China's foreign policies, and were successful in splitting some of these parties. Some splinter parties recently acknowledged the Albanian party as the sole leader of Marxism-Leninism and rejected Chinese policies that were not in accord with Marxist-Leninist principles.

19. Early this year the Chinese leaders became increasingly aware of the challenge. The Chinese explained their policies to selected splinter parties and termed the Albanian line erroneous. Peking now appears to be actively cultivating those splinter parties still loyal to it, and is countering Tirana's activity by setting up new groups with direct financial assistance from China.

Motivations

20. Why Albania decided to challenge Peking cannot be conclusively determined from available evidence. The Albanian actions appear less than prudent, in that their campaign could lead to a complete loss of Chinese economic assistance. While there appears to be no single, overriding motive, the following factors probably contributed to the decision.

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--Albania's fierce sense of independence rejects submission to or interference by any foreign power, even a close ally such as China or, formerly, the USSR. Since the early 1970s China may have interfered in Albanian domestic affairs. Earlier this year Tirana came close to hinting at Chinese complicity with the "anti-party" elements who were purged in recent years.

--Albania may be acutely frustrated by the realization that its importance to China as an ally has been reduced. The improvement in recent years of China's relations with Yugoslavia--whose revisionism is an anathema to the Albanian regime--has no doubt exasperated Tirana's frustration.

--The Albanians set great store in their pursuit of a "principled" foreign policy in the face of what the Albanians consider China's "opportunistic" approaches toward the West and particularly the US.

--Albania is reacting to economic difficulties caused by the delays in Chinese assistance, which the Albanians associated with China's political opportunism.

--Ideological messianism prompts the regime to challenge China as the leader of the Marxist-Leninist splinter movement. They thus seek to replace the "adulterated" ideology of the Chinese leadership with Tirana's "correct" Marxist-Leninist line.

21. Explanations for the Chinese motivations for tolerating the Albanian challenge are equally tentative.

--Since the early 1970s, Albania has lost its importance for China as its sole ally and ideological supporter. The Chinese probably feel that the present relatively low cost of assisting Albania is compensated for by the political advantage of retaining their limited presence there which also provides a deterrent to Soviet re-entry.

--Having subdued its radical opposition, the new Chinese leadership perceives no immediate danger that Albania's ideological views will find a significant following in Peking. Nor can Albanian criticism of China's foreign policies distract from

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the overall advantages of China's pragmatic foreign policy line.

- In view of China's extensive contacts with other governments, Peking no longer considers support from the basically weak and ineffectual Marxist-Leninist parties as essential. But since its continued ideological conflict with Moscow makes it necessary to portray the image of orthodoxy, China is embarrassed by the Albanian charges of political "opportunism." With its superior financial resources, Peking has been able to oppose the Albanian efforts to split the Marxist-Leninist splinter movement and is already setting up surrogate puppet parties to advocate its policies.
- Having demonstrated aloofness from the Albanian challenge, the Chinese have retained the option of striking back whenever it should appear convenient. Peking's initial response to Tirana is likely to be indirect, essentially a warning. The Chinese may also take advantage of the Albanian feeler about direct talks by delaying an answer, or by appearing magnanimous in publicly accepting it.

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II. INTERNAL ALBANIAN UPHEAVAL

22. Despite the appearance of political stability and totality of dictatorship, there is evidence of ferment within the Albanian leadership. In the past four years a large number of high- and middle-level officials, including Politburo members, were ousted on trumped-up charges. The purges, which were carried out in three phases, have decimated the cultural, military, and economic establishment.

23. The full meaning of these purges is obscure, but they seemed to involve the existence of high-level dissatisfaction with Hoxha's policies and concern over Albania's economic difficulties which have been aggravated by the decline in Chinese assistance.

24. The party leadership is aging. Moreover, Hoxha's health and authority appear to have declined in recent months. The leadership may be under pressure from younger persons--still unknown quantities to the West--who entered the highest party echelons in the wake of the purges. While a substantial impact on policy may not come soon, this new generation of leaders is already making its mark on the political scene.

Phase One: Cultural Purge

25. Despite its consistent efforts, the Albanian leadership has not been able to seal the country completely off from foreign influences. The few instances of relaxation of barriers to outside contacts only prompted an influx of more liberal trends and the regime quickly drew back. The most recent such "opening," which occurred in early 1970s involved: a party campaign to eliminate backward social concepts that in the end encouraged tendencies favoring change and liberalism; the climate of detente and accompanying relaxation between the US and the Communist nations; China's decreasing hostility toward the West and particularly its opening to the US in 1972; and the introduction of television in Albania. This latter development--particularly the Yugoslav and Greek transmissions--allowed some Albanians to circumvent official censorship and acquaint themselves with foreign cultural trends.

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26. The party's ability to quickly close this opening and restore cultural and ideological orthodoxy, however, proved that the totalitarian nature of the regime had not been significantly weakened by the temporary impact of outside influences. The first phase of the purges, in 1973, targeted on those held responsible for 'incorrect' cultural policies. Leading functionaries in the Tirana party organization, the state radio and television network, and the youth organization, were ousted. The entire leadership of the Albanian Writers and Artists Union was also replaced. Rigid cultural and ideological orthodoxy has been maintained ever since.

Phase Two: Military Purge

27. In 1974, the regime thoroughly purged the military establishment. Since Albania's break with the Soviet Union, its defense capability had been dependent on Chinese supplies of military equipment. Fluctuations in the flow of military assistance in the early 1970s--including no deliveries at all in 1973--probably caused uneasiness within the Albanian military establishment about their ability to resist aggression. The Soviet Union's success early in 1974 in securing limited naval repair facilities in Yugoslavia--at Tivat, some 50 miles north of the Albanian border--probably reinforced doubts within the defense establishment about the adequacy of Albania's defense structure.

28. The real reason behind the purge of Defense Minister Balluku and his close associates in 1974 is unclear. Charges against them, including treason and collaboration with Moscow, are not convincing. Balluku's close ties with the Chinese military leadership make it unlikely that he had sought to replace Chinese assistance with Soviet weapons. It is possible, however, that Balluku and other military leaders had recommended the broadening of economic and political ties with the West along the lines then being followed by Peking. Such a proposal, coming from the military, could have been interpreted by party chief Hoxha as an attempt to undermine the party's control over the military.

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Phase Three: Economic Purge

29. The third and most extensive phase of the purges hit the economic establishment. It appears to have been directly related to the difficulties experienced by the economy during the 5th Five Year Plan period (1971-1975).

30. Despite large Chinese contributions in the form of complete plants and equipment, during the 5th FYP the country's economic growth declined. The real extent of the decline is not known to us but the main indices of economic development for the 5th FYP period show generally lower percentages than those for the previous FYP period (1966-1970). (Table) The delays in Chinese assistance probably contributed to the downward trend of the economy.*

31. The full impact of the reduced assistance probably became clear to Tirana's economic planners toward the end of the Plan period. It may have prompted some members of the leadership to advocate counter-measures, such as lessening Albania's economic isolation from the rest of Europe. Possibly alarmed by the political repercussions of those initiatives, the Hoxha administration launched a widespread purge of the Albanian economic establishment in 1975.

Hoxha and the Party Leadership

32. The purges had initially seemed to strengthen the hands of the Party's 'old guard' that was loosely associated with first secretary Enver Hoxha. Now in his 69th year, Hoxha has been the acknowledged head of the party

* Among the largest projects the Chinese have built in Albania are the iron and steel complex in Elbasan, two oil refineries, a chrome ore processing plant, a nitrogen fertilizer plant, a superphosphate plant and a number of hydro-electric plants. Last June, the Albanians publicly blamed delays in the construction of the Elbasan complex and the oil refinery in Ballsh on the failure of 'outside' sources to deliver machinery and materials.

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since it was founded in 1941. His control of the state and party apparatus was secured by subsequent purges of political opponents of all hues. The hard-core element of the leadership still forms the majority of the twelve-member Politburo.

33. There are indications, however, that in recent months Hoxha has encountered some opposition within the leadership and his position may have weakened. Debate within the highest echelons of the party over economic priorities and consequent alternate courses is apparently continuing. The new Albanian constitution, published in December 1976, revealed differences over the relative value of Chinese assistance and of self-reliance. One faction had apparently managed to incorporate its views on the importance of self-reliance as the primary force in socialist construction without a corresponding reference to Chinese assistance. Hoxha, for his part, continued to cite the importance of 'selfless' Chinese aid, implying his disagreement with those advocating sole reliance on the country's meager resources.

34. Hoxha's economic views--which show him as more of a realist than some of his colleagues--stand in sharp contradiction to his image as the challenger to the Chinese over the issue of ideological orthodoxy. In any case, the divided economic councils raise the question whether the party leader, known to be in failing health, retains full control over the regime.

35. The 'old guard,' although still active, has become just that--old. Premier Mehmet Shehu, who has been generally considered Hoxha's chosen successor, is 64. His power was bolstered when he assumed the post of Defense Minister in 1974. Shehu however, also has medical problems that would appear to disqualify him from replacing Hoxha.

36. We have little information on the younger functionaries who now occupy leading positions in the state and government apparatus. The Politburo has two new younger persons and there are quite a few on the

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Central Committee.* They were probably handpicked by Hoxha on the basis of their performance and personal loyalty. While their backgrounds are obscure, one common denominator seems to be a shared experience in the provincial party apparatus.

37. Despite the introduction of new people into the highest levels of the party and government, there has been no visible progress in solving the country's economic problems. Moreover, the escalating differences with China could have a destabilizing effect on officialdom. Having started their political careers in an era characterized by Albania's strong reliance on China, some of the younger leaders may be concerned about the consequences of provoking the Chinese. Unlike the 'old guard,' these leaders may also be less willing to make economic sacrifices for the sake of ideological orthodoxy.

38. As long as Hoxha formally heads the party, Albania's political course is likely to reflect the ideological radicalism that has characterized it for two decades. We cannot exclude the possibility, however, that once he departs, more pragmatic policies may be pursued.

* The two additions to the Politburo, Hekuran Isai and Pali Miska, are both believed to be in their 40s. Former provincial party functionaries, they entered the government in the wake of the purges and rose rapidly. In addition, four new functionaries have entered the Politburo as alternates since 1975. On the new Central Committee, elected at the November 1976 Congress, 43 of the 77 members are newcomers; 18 of the 38 alternates are also new.

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III. FOREIGN POLICY OPTIONS

39. With their relations with Peking deteriorating, the Albanians have been forced to consider their future foreign policy options. These are limited. The leadership's obsession with a Soviet threat to its security and its fierce anti-Americanism constrain its turning to either superpower for political or economic support. Neighboring Yugoslavia, which would be a natural economic partner, is ideologically unacceptable to the Albanians, and the Yugoslav's are wary of the Albanian minority and influence in their poorest border province of Kosovo. Recent efforts to improve relations with certain West European countries suggest that Tirana is seeking political support against the Soviets. The regime's dogmatic opposition to democratic systems, however, is likely to prevent the development of closer political relations. Albania's inability to substantially increase its exports to industrialized countries or to accept Western credits is bound to prevent it from replacing China as the principal economic partner.

Fear of Soviet Intervention

40. Since the break with Khrushchev, the Albanians have consistently viewed the Soviet Union as a threat to their security. Despite recurring purges--which probably eliminated all elements sympathetic to Moscow--Tirana still insists the Soviets want to reestablish hegemony in Albania. The Soviet invasion of Czechoslovakia, which demonstrated Moscow's willingness to intervene militarily in East Europe, came as a further shock to the Albanian leadership. Tirana renounced Warsaw Pact membership*, and probably also ordered a thorough reevaluation of Albania's strategic planning. In addition to seeking more military aid from the Chinese, the Albanians made some attempt to reduce their isolation from Balkan neighbors, including Yugoslavia, and explored contacts in Western Europe.

41. Having personally engineered Albania's break with Moscow and the Albanian alliance with China, Hoxha

* This was a symbolic gesture as Albania had not participated in the Pact since the late 1950s.

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has been fearful that the Soviets might attempt to overthrow him. The regime's long-standing anti-Soviet propaganda campaign is aimed at instilling a permanent hatred of Soviet "social imperialism." Although there is no evidence of any substantial Soviet attempt to undermine Hoxha, internal opponents have almost invariably been accused of being pro-Moscow or, in the case of former Defense Minister Balluku, of joining the Soviets in a conspiracy against the regime.

42. Although it has diplomatic relations with all the East European states, Albania has since 1961 steadfastly refused to reestablish contacts with the Soviet Union.* It has also invariably rejected frequent offers by the Brezhnev leadership to improve relations. A recent Romanian attempt to mediate--possibly encouraged by the Soviets--was also turned down by the Albanians. Tirana uses its defiance of Moscow's "revisionistic" foreign policies to demonstrate the correctness of its own ideological stance. Ironically, in their polemics with Peking the Albanians have hinted that the Chinese have been following policies similar to those of the Soviets in the 1960s.

43. We do not expect Albania to begin a rapprochement with Moscow as long as Hoxha remains in power. After his departure there may be an easing in hostility toward the Soviets, but Hoxha's heirs will still probably view Moscow as a lasting threat to Albania's independence.

* Tirana's relations with Moscow's East European allies, although correct, remain low key throughout this period. Romania's strained relationship with the Soviet Union and friendship with Peking helped create better relations between Tirana and Bucharest, including exchanges of delegations and occasional party contacts. There is evidence that in recent years Moscow tried--unsuccessfully--to use the Romanians as mediators in its dispute with Albanians. Albania has maintained a modest level of trade exchanges with Warsaw Pact countries but none with the Soviet Union. Although its exports to East European countries rose by 55 percent between 1971-1975, they may have remained stagnant, or even declined, in real terms.

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Yugoslavia

44. Hoxha bears a personal antipathy to Tito that originated in the Yugoslav leader's support for one of Hoxha's rivals during the immediate post-war period when Yugoslav influence with the new Albanian communist party was paramount. Belgrade's plans to annex Albania were thwarted only because of the Soviet-Yugoslav split of 1948, and Albanian paranoia about possible renewed Yugoslav intervention has persisted. The large Albanian minority in Yugoslavia's bordering Kosovo Province, and Tirana's periodic interventions on its behalf, also trouble Albanian-Yugoslav relations--the more so because Kosovo's poverty and political restiveness make the region a drain on and a vulnerability in the Yugoslav federation.

45. The antipathy is also ideological. Ever since the 1948 Cominform resolution excommunicated Yugoslavia from the Communist camp, Albania's opposition to Yugoslav "revisionism" has not wavered. The Khrushchev rapprochement in the mid-fifties and subsequent periods of improvement in Soviet-Yugoslav relations aroused suspicions of encirclement. The commitment against "revisionism" mitigated against a full normalization of relations with Belgrade despite Albania's and Yugoslavia's mutual condemnation of the Soviet invasion of Czechoslovakia.

46. The Albanian leadership's opposition to Yugoslav "revisionism" can also be explained partly in terms of Tirana's relations with the Marxist-Leninist splinter parties. In challenging Peking as the sponsor of the Marxist-Leninist movement, Tirana presents itself as the sole remaining defender of "correct" Communist dogma. As long as Hoxha remains in power, ideological considerations alone will probably block normalization of Yugoslav-Albanian relations.

47. The Albanians probably believe that Tito's current visit to China will formalize Sino-Yugoslav rapprochement, and Tirana will no doubt increase its anti-Peking polemics as well as nourish this additional reason to mistrust Belgrade.

48. Albania's unrelenting hostility to the Yugoslavian form of Communism is ironic since non-aligned Yugoslavia has

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long provided a buffer between Albania and the Warsaw Pact nations. In addition, Belgrade's ideological differences with Moscow have curtailed the emergence of pro-Soviet forces in Yugoslavia that could present a threat to Albania.

49. Even though the Albanians revile Tito, Tirana must be disturbed by the thought of his eventual demise. Tirana would view any increase in Soviet influence in Yugoslavia during the post-Tito era as endangering Albania's security. Moreover, possible Yugoslav apprehension over heightened Albanian irredentism in Kosovo Province after Tito's departure--a likely accompaniment of any post-Tito strains in Yugoslav federalism--could pose a serious problem for Tirana.

50. The ideological rigidity of the Albanian party has also inhibited economic contacts between the two countries. Although bilateral trade showed a seven-fold increase between 1970 and 1975, it has not reached its full potential. For example, a planned railroad line, connecting the Yugoslav rail system with the main Albanian line, was not completed because of the uncertain political climate. There have been no new Albanian initiatives toward Belgrade in recent months, but the possibility of losing Chinese assistance could prompt the regime to try to increase its economic ties with Yugoslavia.

Western Europe

51. Albania now has diplomatic relations with all West European nations except Spain, West Germany and the UK, and is currently trying to strengthen its existing contacts. In doing so, Tirana is cultivating ties not only with non-aligned governments, but also with NATO members the Albanians perceive as independent of the US.*

52. The Albanians hope they will be able to establish closer economic ties to compensate for anticipated loss of economic assistance from Peking. Their meager economic resources, however, permit only a modest expansion of exports

* Italy, with which the Albanian Communists have maintained a special relationship since the 1950s, is an obvious exception. That relationship stems from historical contacts and geographical proximity, and it has not been influenced by Italy's close political ties with the US.

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to the industrialized states. Despite a five-fold increase between 1970-75, Albania's exports to the OECD countries amounted to no more than \$50 million in 1975.

53. Moreover, as long as ideological extremism determines policy, Albania cannot conclude credit arrangements with the West. The constitution forbids borrowing from "capitalist" countries and prohibits forming joint enterprises with foreign concerns.

54. These restrictions seriously hinder the importation of foreign equipment necessary to maintain the industrialization program. By sharply reducing machinery imports, Albania could probably purchase the most essential industrial and agricultural materials. In the long run, however, this would inevitably have a negative impact on economic development. Albanian planners are probably also aware that the West will not find it expedient to replace Chinese economic aid and technical advisers.

55. There is also some evidence that Albanian overtures to Western Europe involve political considerations.

This may be Albania's first tentative bid to find a new protector to replace China. In view of the regime's ideological incompatibility with democratic political systems, it is not clear what sort of political arrangement Tirana may hope to establish with West European governments. The Albanians probably feel that the Mediterranean countries will want to take out some insurance against the possibility of increased Soviet influence in Albania.

Relations with the US

56. The Hoxha regime's attitude toward the United States has been unrelentingly hostile. Hoxha and other Albanian leaders depict Washington as the world's leading reactionary power and a direct threat to Albania's security. This rhetoric includes elements of genuine uncompromising hostility to the US, as well as considerable ideological posturing.

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57. Tirana went out of its way to rebuff US overtures in the early 1970s. We have seen no hint of any change in this attitude. It would no doubt be awkward for the Albanians to make an overture to the US while criticizing the Chinese for doing the same thing. A US connection, however, or the hint that one was in the making, might serve Tirana's interest in fending off any perceived threat from Yugoslavia and the USSR.

58. Although the Albanians are unlikely to pursue relations with Washington as long as Hoxha is in power, they could indirectly signal a moderation of their anti-US stand by deescalating criticism of Chinese-US contacts. Albania might be willing to purchase US-licensed equipment from Western European countries, pretending not to notice the American connection. Tirana may also gradually modify the extremely hostile tone of its anti-US propaganda, without essentially changing its ideological opposition to the US.

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TABLE MAIN INDEXES FOR THE DEVELOPMENT OF THE ALBANIAN ECONOMY DURING THE 4th and 5th
FIVE YEAR PLAN PERIODS (1966-1970 and 1971-1975)
(Percentages)

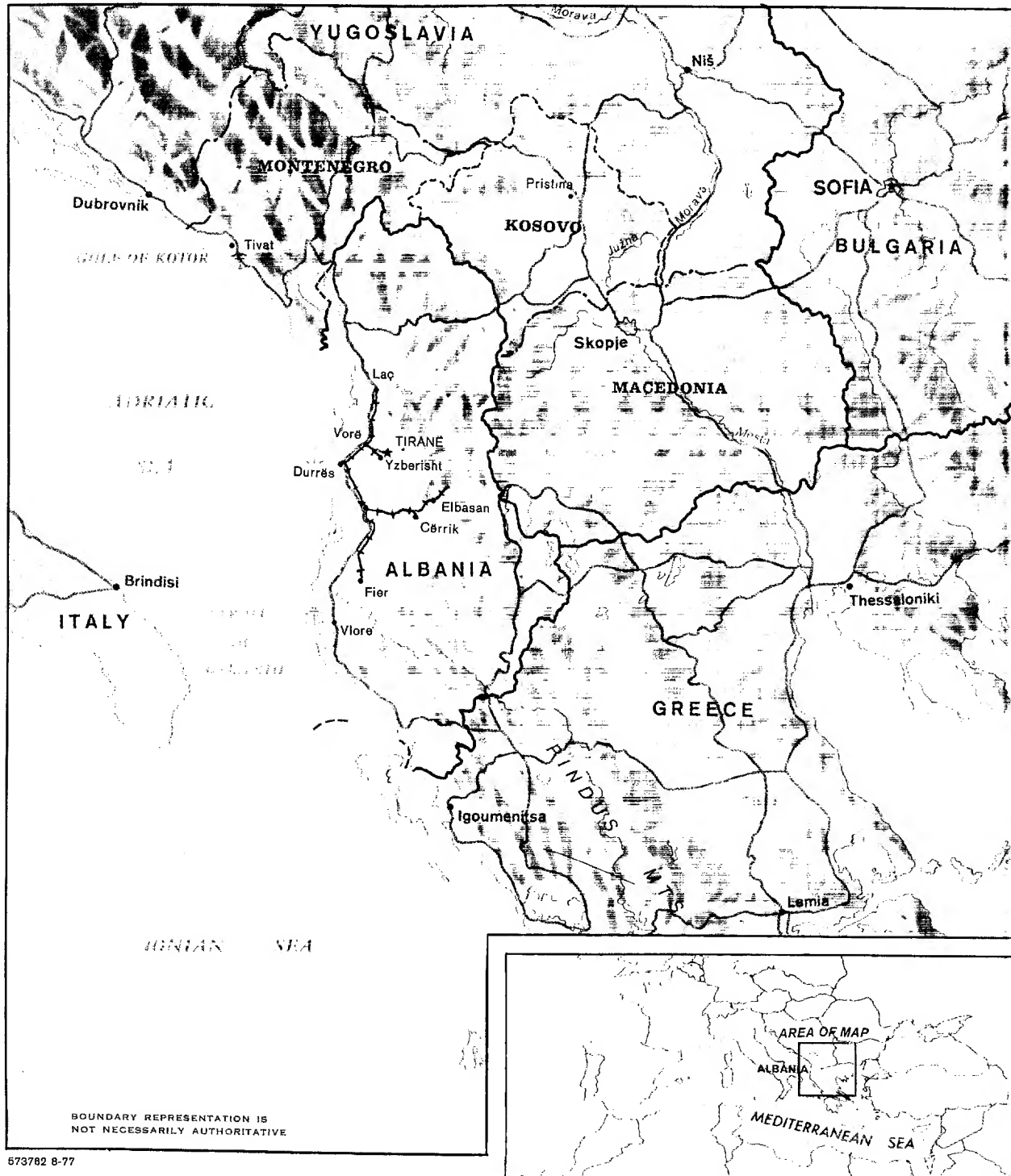
Main Indexes	4th FYP (Growth in 1970 compared with 1965)		5th FYP (Growth in 1975 compared with 1970)
		(claimed imple- mentation)	
Overall social production	58-63	61	37
Overall industrial production	50-54	83	52
Overall agricultural production	41-46	28	33
State Investments	34	55	50
Transport of goods	41-46	53	45
Retail sale turnover	25-27	45	35
National income	45-50	55	38
Per capita national income	15-17	17	14.5

Sources: Reports by Mehmet Shehu at the 6th and 7th congresses of the Albanian Worker's Party (November 1971 and December 1976).

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Albania and Surrounding Countries



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